BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2021-2-E

April 1, 2021

IN RE:		
Annual Review of Base Rates for Fuel Costs for Dominion Energy South Carolina, Inc.)	STIPULATION

This Stipulation is made by and between the South Carolina Office of Regulatory Staff ("ORS"), Dominion Energy South Carolina, Inc ("DESC" or "Company") and the South Carolina Energy Users Committee ("SCEUC") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, the above-captioned proceeding has been established by the Public Service Commission of South Carolina ("Commission") pursuant to the procedure established in S.C. Code Ann. § 58-27-865 (2015), and the Parties to this Stipulation are parties of record in the above-captioned docket;

WHEREAS, the period under review in this docket is January 1, 2020, through December 31, 2020 ("Review Period");

WHEREAS, the Parties have varying legal positions regarding certain issues in this proceeding;

WHEREAS, the Parties have engaged in discussions to determine if a stipulation on certain issues would be in their best interest;

WHEREAS, following these discussions the Parties have each determined that their interests and the public interest would be best served by stipulating certain matters in the above-captioned case under the terms and conditions set forth below:

- I. The Parties agree to stipulate into the record before the Commission this Stipulation.
- 2. The Parties agree to those items set out immediately below, and this Stipulation is hereby adopted, accepted, and acknowledged as the agreement of the Parties.

A. STIPULATIONS WITH RESPECT TO TESTIMONY AND CROSS-EXAMINATION

A.1. The Parties further agree to stipulate into the record the pre-filed direct testimony and exhibits of the following witnesses without objection, change, amendment, or cross-examination, with the exception of changes comparable to that which would be presented via an errata sheet or through a witness noting a correction.

a. DESC witnesses:

- i. Tom A. Brookmire
- ii. George A. Lippard
- iii. Henry E. Delk, Jr.
- iv. Rose M. Jackson

b. ORS witnesses:

- i. Brandon S. Bickley
- ii. William C. Kleckley
- iii. O'Neil O. Morgan
- iv. Michael L. Seaman-Huynh

The Parties further agree to stipulate into the record the pre-filed amended direct testimony and exhibits of the following witnesses without objection, change, amendment, or cross-examination, with the exception of changes comparable to that which would be presented via an errata sheet or through a witness noting a correction.

c. DESC witnesses:

- i. Michael D. Shinn
- ii. Allen W. Rooks
- iii. Eric H. Bell

The Parties further agree to stipulate into the record the pre-filed corrected, responsive, rebuttal, and surrebuttal testimony and exhibits of the following witnesses without objection, change, amendment, or cross-examination, with the exception of changes comparable to that which would be presented via an errata sheet or through a witness noting a correction.

d. DESC witnesses:

- i. Allen W. Rooks (Corrected and Responsive)
- ii. Margot Everett
- iii. Eric H. Bell

e. ORS witnesses:

- i. William C. Kleckley (surrebuttal)
- ii. O'Neil O. Morgan

With respect to this Stipulation, Company witness Rooks is the witness designated to be primarily responsible for providing support for the Stipulation at the hearing scheduled in this case.

B. STIPULATIONS WITH RESPECT TO NET ENERGY METERING AND DISTRIBUTED ENERGY RESOURCES, FUEL EXPENSES AND POWER PLANT OPERATIONS, FUEL FACTORS, AND OTHER ITEMS

Net Energy Metering ("NEM") and Distributed Energy Resources ("DER")

- B.1. Without constraining, inhibiting, or impairing their arguments or positions in future proceedings, the Parties agree as follows in this proceeding:
 - a. DESC's calculation of the NEM Methodology and method of accounting for avoided and incremental costs for NEM during the review period of January 1, 2020, through December 31, 2020 ("Actual Period"), were reasonable and prudent, were consistent with methodology approved in Commission Order No. 2015-194, and complied with S.C. Code Ann. § 58-40-10, et seq. (2015).
 - b. DESC has met the utility-scale and customer-scale goals as prescribed by S.C. Code Ann. § 58-39-130 (2015). During the Actual Period, DESC reasonably and prudently incurred costs in implementing the Company's Distributed Energy Resource Program, as approved in Commission Order No. 2015-512.
 - c. The cumulative balances of DESC's DER program costs as of December 31, 2020, totaled an over-collected balance of \$738,982 in avoided costs and an under-collected balance of \$5,620,037 in incremental costs, which are reasonable and prudent. The cumulative balances of DESC's DER program costs as of April 30, 2021, are projected to be an over-collected balance of \$507,871 in avoided costs and an under-collected balance of \$7,100,680 in incremental costs, which are reasonable and prudent.
 - d. DESC reasonably projected its DER program costs for the period January 1, 2021, through April 30, 2022, which are accurately reflected in Corrected Exhibit Nos.

- ___ (AWR-6) through ___ (AWR-9) attached to the direct testimony of Company witness Rooks.
- e. DESC's proposed DER Avoided Cost Component amounts by class, as set forth below, are reasonable and prudent, and, if approved by the Commission, shall become effective for the period beginning with the first billing cycle of May 2021.

Class	DER Avoided Cost Component (¢/kWh)				
Residential	0.042				
Small General Service	0.037				
Medium General Service	0.029				
Large General Service	0.020				

f. DESC's proposed monthly per account DER Incremental Cost Components by class, as set forth below, properly allocate DESC's DER program incremental costs, are reasonable and prudent, and, if approved by the Commission, shall become effective for the period beginning with the first billing cycle of May 2021.

Class	Monthly Per Account DER Incremental Cost Component			
Residential	\$	1.00		
Small & Medium Gen. Svc.	\$	6.15		
Large General Service	\$	100.00		

g. The NEM Riders to Retail Rates, entitled Second Net Energy Metering for Renewable Energy Facilities and Third Net Energy Metering for Renewable Energy Facilities, attached hereto as Attachments A and B, including the rates, terms and conditions, are lawful, just, and reasonable, and, if approved by the Commission, shall become effective for the period beginning with the first billing cycle of May 2021.

Fuel Expenses and Power Plant Operations

- B.2. ORS' review of DESC's operation of its generating facilities resulted in ORS concluding that DESC made reasonable efforts to maximize unit availability and minimize fuel costs. Additionally, ORS determined that DESC took appropriate corrective action with respect to outages that occurred during the Actual Period. Further, ORS concluded that, subject to any adjustments set forth in ORS's pre-filed direct testimony, DESC's accounting practices are in compliance with S.C. Code Ann. § 58-27-865 (2015).
- B.3. Except as otherwise agreed in Paragraph B.11.B., the Parties agree to accept all recommendations, if any, in ORS witnesses Seaman-Huynh's and Bickley's testimonies and exhibits pertaining to DESC's fuel expenses and power plant operations for the Actual Period, and January 1, 2021, through April 30, 2021 ("Estimated Period"), as well as forecasted expenses for the period May 1, 2021, through April 30, 2022 ("Forecasted Period").
- B.4. The Parties agree with the amounts set forth in ORS' witness Kleckley's testimony pertaining to DESC's operations under the Fuel Adjustment Clause for the Actual Period and the Estimated Period. Accordingly, DESC's net cumulative over-collected balance of total base fuel, variable environmental, and avoided capacity costs for the period ending December 31, 2020 totaled \$55,898,521 and estimated net cumulative over-collected balance of total base fuel, variable environmental, and avoided capacity costs through April 2021 totaled \$49,571,802. As of December 31, 2020, the net cumulative over-collected balance of \$55,898,521 consists of cumulative over-collected base fuel costs of \$52,090,275 and cumulative over-collected variable environmental and avoided capacity costs of \$3,808,246. As of April 2021, the estimated net cumulative over-collected balance of \$49,571,802 consists of cumulative over-collected base fuel costs of \$44,697,895 and cumulative over-collected variable environmental and avoided capacity costs of \$44,697,895 and cumulative over-collected variable environmental and avoided capacity costs of \$44,873,907.

Fuel Factors

B.5. The Parties agree that the appropriate fuel factors for DESC to charge pursuant to this Stipulation for the period beginning with the first billing cycle of May 2021 and extending through the last billing cycle of April 2022 are listed below and set forth in Attachment C.

Class	Base Fuel Cost Component (¢/kWh)	Variable Environmental & Avoided Capacity Cost Component (¢/kWh)	DER Avoided Cost Component (¢/kWh)	Total Fuel Costs Factor (¢/kWh)	
Residential	2.413	0.068	0.042	2.523	
Small General Service	2.413	0.058	0.037	2.508	
Medium General Service	2.413	0.046	0.029	2.488	
Large General Service	2.413	0.031	0.020	2.464	
Lighting	2.413	0.000	0.000	2.413	

- B.6. If approved by the Commission, the rates proposed herein would increase the average monthly bill of a Rate 8 residential customer using 1,000 kWh per month from \$122.31 to approximately \$123.90, a net increase of approximately \$1.59 or 1.30%.
- B.7. The Parties agree the fuel factors set forth above are consistent with S.C. Code Ann. § 58-27-865 (2015). The Parties further agree that, except as provided in Paragraph B.1 and B.9 herein, any and all challenges to DESC's historical fuel costs recovery for the period ending December 31, 2020 are not subject to further review; however, the projected fuel costs for the period beginning January 1, 2021, and thereafter, shall be an open issue in future fuel costs proceedings held under the procedure and criteria established in S.C. Code Ann. § 58-27-865 (2015).
- B.8. The Parties agree that it is reasonable and prudent for the Company to include in the Base Fuel Component its labor costs regarding nuclear fuel procurement, nuclear core design,

safety analysis, and fabrication surveillance and final receipt inspection. The Company agrees that it will not recover other labor costs through the Fuel Clause Statute without first seeking and obtaining review by interested parties and approval by the Commission. The Company further agrees that it will make all proper accounting adjustments to remove these labor costs from its base rates to ensure that there is no double counting of these costs.

B.9. The tariff sheet entitled, "Adjustment for Fuel, Variable Environmental, & Avoided Capacity, and Distributed Energy Resource Program Costs," attached hereto as Attachment C, including the rates, terms, and conditions, is lawful, just, and reasonable, and, if approved by the Commission, shall become effective for the period beginning with the first billing cycle of May 2021.

Other Items

- B.10. With regards to plant outages not completed as of December 31, 2020, if any, and outages where final reports of DESC, contractors, governmental entities or others are not available, if any, the Parties agree that ORS retains the right to review the reasonableness of the plant outage(s) and associated costs in the review period during which the outage is completed or when the report(s) on such outage(s) become available.
 - B.11. Upon written request, DESC will provide the following to the Stipulating Parties:
 - a. Copies of the monthly fuel recovery reports currently filed with the Commission and ORS; and
 - b. Forecasts of the expected fuel factors to be set at DESC's next annual fuel proceeding using DESC's historical (over)/under-collected balance to date following the quarters ending June 30th and September 30th, 2021, and forecasted prices for uranium, natural gas, coal, oil, and other fuel required for the generation of electricity. The forecasts will also provide the expected DERP charge to be set

at the Company's next annual fuel proceeding based upon DESC's historical (over)/under-recovery to date and DESC's forecast of DERP incremental and avoided costs. DESC agrees it will put forth reasonable efforts to forecast the expected fuel factors to be set at its next annual fuel proceeding; however, the Parties agree that these quarterly forecasts will not be admitted into evidence in any future DESC proceeding.

B.12. The Parties agree that the Company's "Rider to Residential Rates and Time-of-Use Demand Rate 28 – Net Metering for Renewable Energy Facilities" should be eliminated because it terminated on December 31, 2020, and because all customers previously taking service under this rider have been transitioned to other rate schedules for which they are eligible.

C. REMAINING STIPULATION TERMS AND CONDITIONS

- C.1 The Parties agree this Stipulation is reasonable, in the public interest, and in accordance with law and regulatory policy. This Stipulation in no way constitutes a waiver or acceptance of the position of any Party concerning the requirements of S.C. Code Ann. § 58-27-865 (2015) in any future proceeding.
- C.2. Further, ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2018). S.C. Code Ann. § 58-4-10(B) reads in part as follows:

... 'public interest' means the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes this Stipulation reached among the Parties serves the public interest as defined above.

- C.3. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission as a fair, reasonable, and full resolution of the stipulated matters in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.
- C.4. This written Stipulation contains the complete agreement of the Parties. There are no other terms and conditions to which the Parties have agreed. This Stipulation integrates all discussions among the Parties into the terms of this written document. The Parties agree that this Stipulation will not constrain, inhibit, or impair their arguments or positions held in future proceedings, nor will this Stipulation or any of the matters agreed to in it be used as evidence or precedent in any future proceeding.
- C.5. This Stipulation shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any Party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Stipulation.

[SIGNATURES ON THE FOLLOWING PAGES]

WE AGREE:

Representing the South Carolina Office of Regulatory Staff

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WE AGREE:

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WE AGREE:

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ATTACHMENT A

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 1 of 4)

AVAILABILITY

Effective May 4, 2019, this rider is closed and not available to any new participants. This rider terminates effective December 31, 2025, for all existing participants. After the termination date, rider participants may choose to receive service under any other schedule for which they qualify.

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

This rider is available on a first come, first serve basis until the total nameplate generating capacity of net energy metering systems equals 2% of the previous five-year average of the Company's South Carolina retail electric peak demand.

CHARACTER OF SERVICE

The applicable character of service is specific to the rate schedule that the customer receives service under.

RATE PER MONTH

The applicable rate per month shall be from the appropriate rate schedule as referenced in the availability section above. The monthly bill shall be determined as follows:

For electric service under a time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For on-peak energy, the customer's monthly usage amount in kilowatt-hours shall be reduced by the total of (a) any on-peak excess energy delivered to the Company in the current month plus (b) any accumulated on-peak excess energy balance remaining from prior months. Total on-peak energy in kilowatt-hours billed to customers shall never be less than zero. For off-peak energy, the customer's monthly usage shall be reduced by the total of (a) any off-peak excess energy delivered to the Company in the current month plus (b) any accumulated off-peak excess energy balance remaining from prior months plus (c) any accumulated on-peak excess energy balance from the current month or prior months that was not used to reduce on-peak usage. Total off-peak energy in kilowatt-hours billed to customers shall also never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Any excess energy credits shall carry forward on the following month's bill by first applying excess on-peak kWh against on-peak kWh charges and excess off-peak kWh against off-peak kWh charges, then applying any remaining on-peak kWh against any remaining off-peak kWh charges. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")

(Page 2 of 4)

peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

For electric service under a standard, non time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 2. Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWn generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For purposes of calculating monthly energy, the customer's usage shall be reduced by the total of (a) any excess energy delivered to the Company in the current month plus (b) any accumulated excess energy balance remaining from prior months. Total energy in kilowatt-hours billed to customers shall never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate,

DEFINITIONS

- 1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates electricity from a Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of:
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
- 2. Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 3 of 4)

- 3. Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

GENERAL PROVISIONS

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until December 31, 2025, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E entered under the terms of S.C. Code § 58-40-20(F)(4). Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated annually coincident in time with the Company's filing in the fuel clause. The value beginning on, during, and after the first billing cycle of May 2021 is \$0.03857 per kWh.
- Service on this NEM Rider will be closed to new participants as of January 1, 2021, or after statutory caps described in S.C. Code Ann. § 58-39-130 have been reached, whichever occurs first.
- When no contract demand level is available for a non-residential customer, connected load as determined by the Company shall be used as a proxy for contract demand when determining the capacity of the electrical generating system.
- Customers who elect NEM service after January 1, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR-1.
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- 9. The Company will retain ownership of Renewable Energy Credits ("RECs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.

ATTACHMENT B

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
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AVAILABILITY

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator who applies for NEM service from May 17, 2019, through May 31, 2021. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

CHARACTER OF SERVICE

The applicable character of service is specific to the rate schedule that the customer receives service under.

RATE PER MONTH

The applicable rate per month shall be from the appropriate rate schedule as referenced in the availability section above. The monthly bill shall be determined as follows:

For electric service under a time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 2. Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For on-peak energy, the customer's monthly usage amount in kilowatt-hours shall be reduced by the total of (a) any on-peak excess energy delivered to the Company in the current month plus (b) any accumulated on-peak excess energy balance remaining from prior months. Total on-peak energy in kilowatt-hours billed to customers shall never be less than zero. For off-peak energy, the customer's monthly usage shall be reduced by the total of (a) any off-peak excess energy delivered to the Company in the current month plus (b) any accumulated off-peak excess energy balance remaining from prior months plus (c) any accumulated on-peak excess energy balance from the current month or prior months that was not used to reduce on-peak usage. Total off-peak energy in kilowatt-hours billed to customers shall also never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Any excess energy credits shall carry forward on the following month's bill by first applying excess on-peak kWh against on-peak kWh charges and excess off-peak kWh against off-peak kWh charges, then applying any remaining on-peak kWh against any remaining off-peak kWh charges. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
(Page 2 of 4)

For electric service under a standard, non time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For purposes of calculating monthly energy, the customer's usage shall be reduced by the total of (a) any excess energy delivered to the Company in the current month plus (b) any accumulated excess energy balance remaining from prior months. Total energy in kilowatt-hours billed to customers shall never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate.

DEFINITIONS

- 1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates or discharges electricity from a Renewable Energy Resource, including an energy storage device configured to receive electrical charge solely from an onsite Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of:
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer:
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
- Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric
 resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from
 renewable resources, combined heat and power derived from renewable resources, and biomass resources.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
(Page 3 of 4)

- 3. Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

GENERAL PROVISIONS

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until May 31, 2029, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E. Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated coincident in time with each avoided cost proceeding conducted pursuant to S.C. Code Ann. § 58-41-20(A). The value beginning on, during, and after the first billing cycle of May 2021 is \$0.03857 per kWh.
- 4. Service on this NEM Rider will be closed to new participants as of June 1, 2021.
- 5. When no contract demand level is available for a non-residential customer, connected load as determined by the Company shall be used as a proxy for contract demand when determining the capacity of the electrical generating system.
- Customers who apply for NEM service after May 31, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR-1.
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- The Company will retain ownership of Renewable Energy Credits ("RECs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.

ATTACHMENT C

ADJUSTMENT FOR FUEL, VARIABLE ENVIRONMENTAL & AVOIDED CAPACITY, AND DISTRIBUTED ENERGY RESOURCE COSTS

RETAIL RATES (Page 1 of 2)

APPLICABILITY

This adjustment is applicable to and is part of the Utility's South Carolina retail electric rate schedules.

The fuel, variable environmental & avoided capacity, and DER avoided costs, to be recovered in an amount rounded to the nearest one-thousandth of a cent per kilowatt-hour, will be determined by the following formulas:

$$F_{C} = \frac{E_{F}}{S} + \frac{G_{F}}{S_{1}}$$

$$F_{EC} = \frac{E_{EC}}{S_{2}} + \frac{G_{EC}}{S_{2}}$$

$$F_{AC} = \frac{E_{AC}}{S_{2}} + \frac{G_{AC}}{S_{2}}$$

Total Fuel Rate

$$perkWh = F_C + F_{EC} + F_{AC}$$

Where:

F_c = Fuel cost per kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E_F = Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Fuel costs related to purchased power such as those incurred in unit power and limited term power purchases where the fossil fuel costs associated with energy purchased are identifiable and are identified in the billing statement, and also including avoided energy costs incurred by the Utility. Also, the cost of "firm generation capacity purchases," which are defined as purchases made to cure a capacity deficiency or to maintain adequate reserve levels. Costs of "firm generation capacity purchases" includes the total delivered costs of firm generation capacity purchased and excludes generation capacity reservation charges, generation capacity option charges and any other capacity charges.

PLUS

(C) Fuel costs related to purchased power (including transmission charges), such as short term, economy and other such purchases, where the energy is purchased on an economic dispatch basis, including the total delivered cost of economy purchases of electric power defined as purchases made to displace higher cost generation at a cost which is less than the purchasing Utility's avoided variable costs for the generation of an equivalent quantity of electric power.

Energy receipts that do not involve money payments such as diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as diversity energy and payback of storage energy are not defined as sales relative to this fuel calculation.

- S = Projected system kilowatt-hour sales excluding any intersystem sales.
- $G_F = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in <math>E_F$ and S.
- S₁ = Projected jurisdictional kilowatt-hour sales, for the period covered by the fuel costs included in E_F.
- F_{EC} = Customer class variable environmental and avoided capacity costs per kilowatt-hour included in base rates, rounded to the nearest one-thousandth of a cent.

ADJUSTMENT FOR FUEL, VARIABLE ENVIRONMENTAL & AVOIDED CAPACITY, AND DISTRIBUTED ENERGY RESOURCE COSTS

RETAIL RATES (Page 2 of 2)

E_{EC} = The projected variable environmental costs including: a) the cost of ammonia, lime, limestone, urea, dibasic acid, and catalysts consumed in reducing or treating emissions, plus b) the cost of emission allowances, as used, including allowances for SO2, NOx, mercury and particulates minus net proceeds of sales of emission allowances, and c) as approved by the Commission, all other variable environmental costs incurred in relation to the consumption of fuel and air emissions caused thereby, including but not limited to environmental reagents, other environmental allowances, and emission related taxes. Any environmental related costs recovered through intersystem sales would be subtracted from the totals produced by subparts a), b), and c). This component also includes avoided capacity costs incurred by the Utility.

These environmental and avoided capacity costs will be allocated to retail customer classes based upon the customer class firm peak demand allocation from the prior year.

- G_{EC} = Cumulative difference between jurisdictional customer class environmental fuel revenues billed and jurisdictional customer class environmental costs at the end of the month preceding the projected period utilized in E_{EC} and S₂.
- FAC = Customer class DER avoided costs per kilowatt-hour included in base rates, rounded to the nearest one-thousandth of a cent.
- E_{AC} = The projected DER avoided costs paid to distributed generators as most recently determined by the Public Service Commission of South Carolina. These avoided costs will be allocated to retail electric customer classes based upon the customer class firm peak demand allocation from the prior year.
- G_{AC} = Cumulative difference between jurisdictional customer class avoided cost revenues billed and jurisdictional customer class avoided costs at the end of the month preceding the projected period utilized in E_{AC} and S_2 .
- S₂ = The projected jurisdictional customer class kilowatt-hour sales.

The appropriate revenue-related tax factor is to be included in these calculations.

FUEL RATES PER KWH BY CLASS

The total fuel costs in cents per kilowatt-hour by customer class as determined by the Public Service Commission of South Carolina in Order No. 2021-___ are as follows for the period May, 2021 through April, 2022:

Customer Class	F _C Rate	+	F _{EC} Rate	+	F _{AC} Rate	=	Total Fuel Rate
Residential	2.413		0.068		0.042		2.523
Small General Service	2.413		0.058		0.037		2.508
Medium General Service	2.413		0.046		0.029		2.488
Large General Service	2.413		0.031		0.020		2.464
Lighting	2.413		0.000		0.000		2.413

The incremental costs associated with DESC's Distributed Energy Resource Programs, to be recovered in an amount rounded to the nearest cent per account, will be determined by the following formulas:

Total Fuel Rate per Account

$$F_{IC} = E_{DC} + G_{DC}$$

Where:

- Fig = Fuel cost per account included in base rate, rounded to the nearest cent, not to exceed \$12 for residential customers, \$120 for small/medium general service customers, and \$1,200 for large general service customers.
- E_{DC} = The projected incremental costs associated with DESC's Distributed Energy Resource Program as determined by the Public Service Commission of South Carolina
- G_{DC} = Cumulative difference between jurisdictional customer class distributed energy component revenues billed and jurisdictional customer class incremental costs associated with DESC's Distributed Energy Resource Program at the end of the month preceding the projected period utilized in E_{DC} and C.
- C = The jurisdictional customer class account totals.

FUEL RATES PER ACCOUNT PER MONTH BY CLASS

The total fuel costs in dollars per account by customer class as determined by the Public Service Commission of South Carolina in Order No. 2021-___ are as follows for the period May, 2021 through April, 2022:

Customer Class	F _{IC} Rate		
Residential	\$	1.00	
Small & Medium General Service	\$	6.15	
Large General Service	s	100.00	